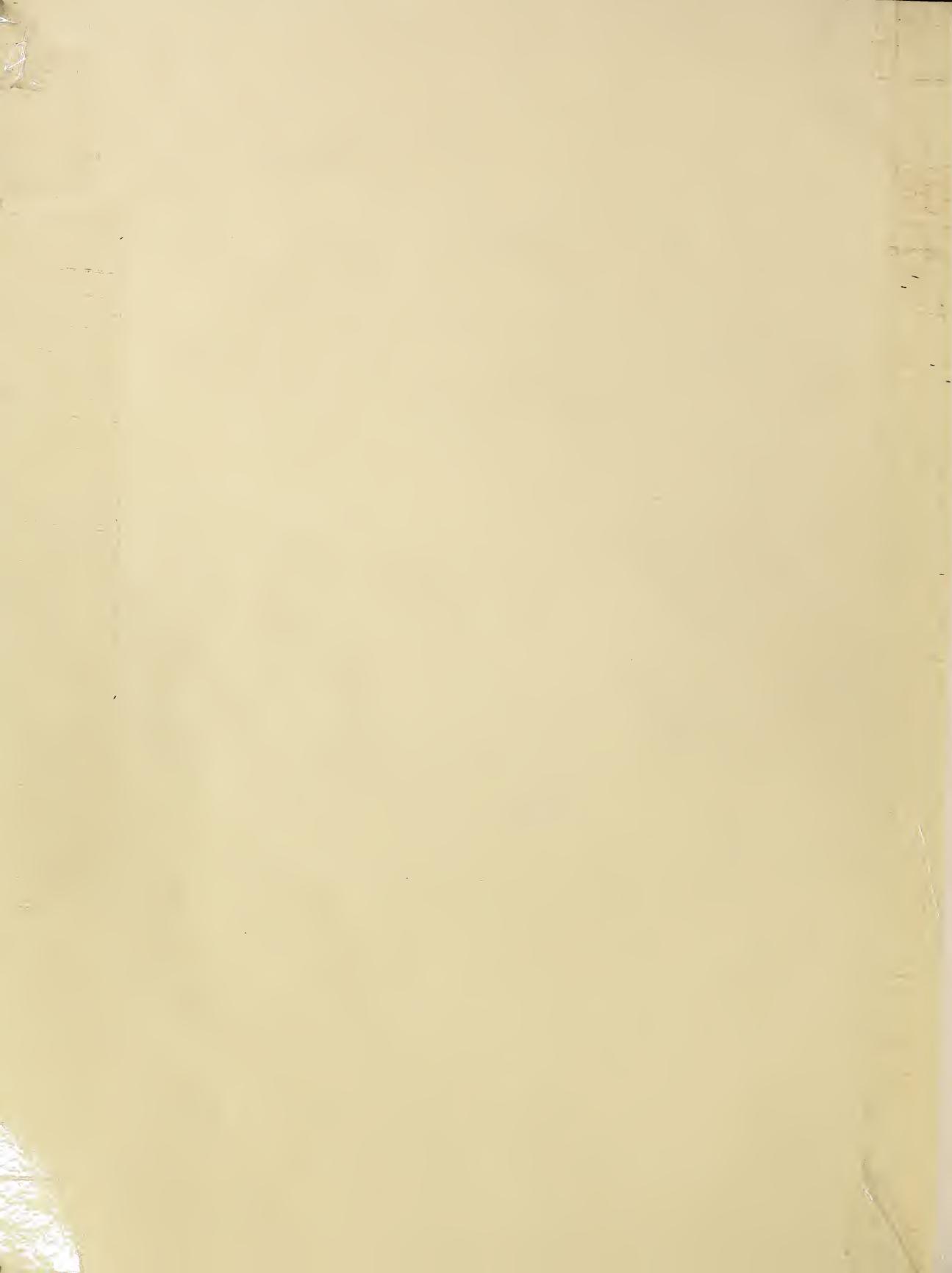


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# THE M INDEX

August 1969

## New School of Painting

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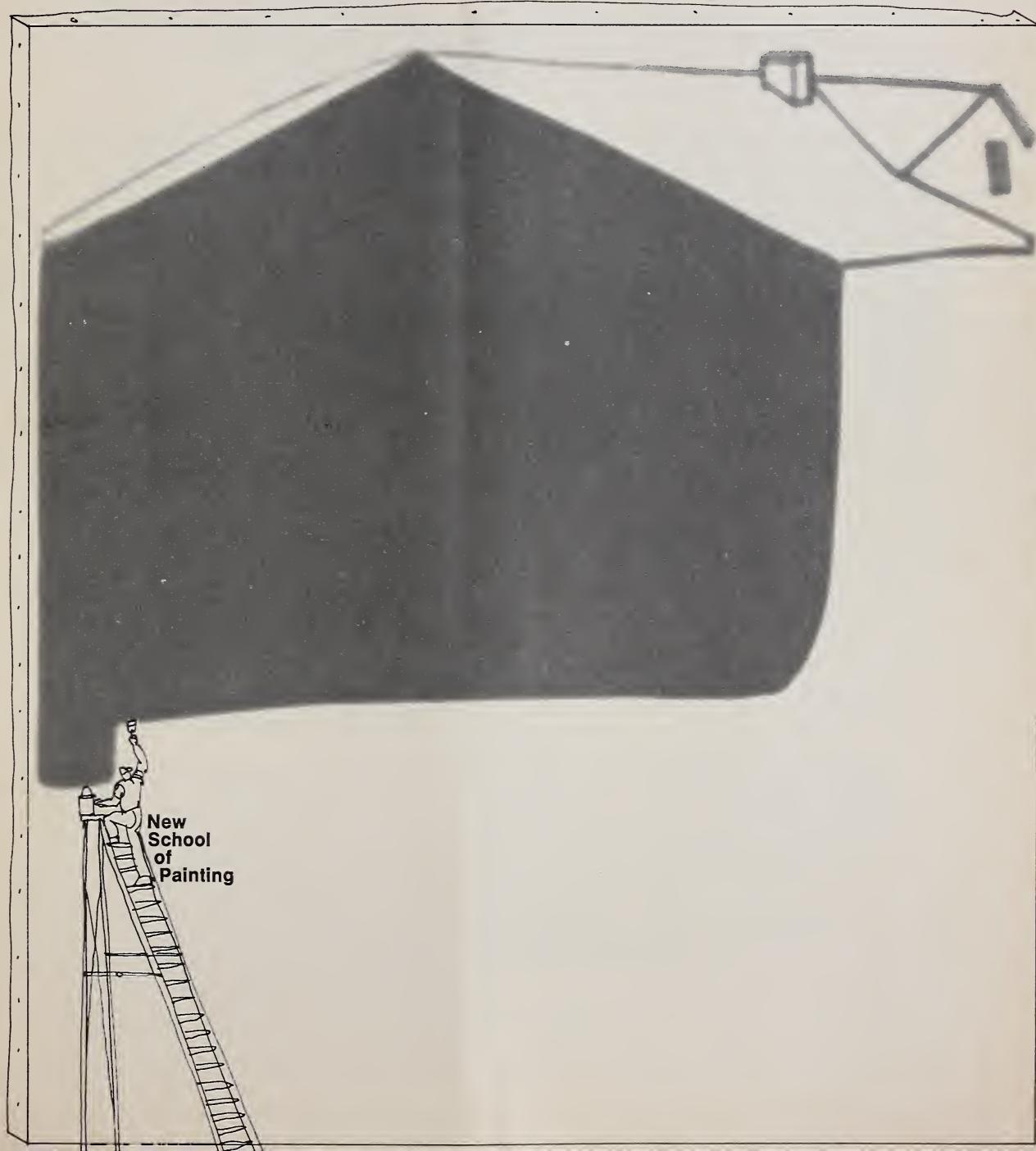
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Department  
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## THE AGRICULTURAL OUTLOOK

*Money, money.* Strong demand for farm products in the United States, particularly for livestock products and fruits and vegetables, pushed farm cash receipts to a record \$19.9 billion during January-June 1969. This was about \$1.6 billion, or 8½ percent, over the same period in 1968. The strong surge in receipts raised realized gross farm income to around \$54 billion (annual rate, seasonally adjusted) from a \$50.5-billion rate in the first half of last year.

*Expenses, expenses.* At the same time, cost of farm operation rose sharply—though less than gross income.

*Net income up.* Because of the greater rise in gross income than expenses, January-June realized net farm income was estimated at a little over \$15.5 billion (seasonally adjusted annual rate), up from \$14.6 billion for the first half of 1968.

*Livestock and product prices up.* Receipts of livestock and livestock products during the first half of this year were estimated at \$13.4 billion, up from \$12.1 billion a year earlier. Prices received by farmers averaged 11 percent higher than a year earlier. Total market volume of meat, animal, dairy, and poultry products rose fractionally.

*Meat animals in heavy demand.* Receipts from marketings of cattle and calves through June of this year were estimated about \$750 million above the same period last year, as farm prices of these animals averaged about 13 percent higher. Hog producers got \$200 million more in cash receipts, with farm prices for hogs running 11 percent higher than first half 1968. Farm marketings of beef and pork showed little change.

*Lower crop prices but volume is higher.* Prices received by farmers for their crops were down an average of 2 percent January through June 1969 from the corresponding period of 1968, but the estimated volume of farm marketings was up about 5 percent. As a result, total crop receipts were \$6.5 billion—almost \$300 million above crop receipts in last year's first half.

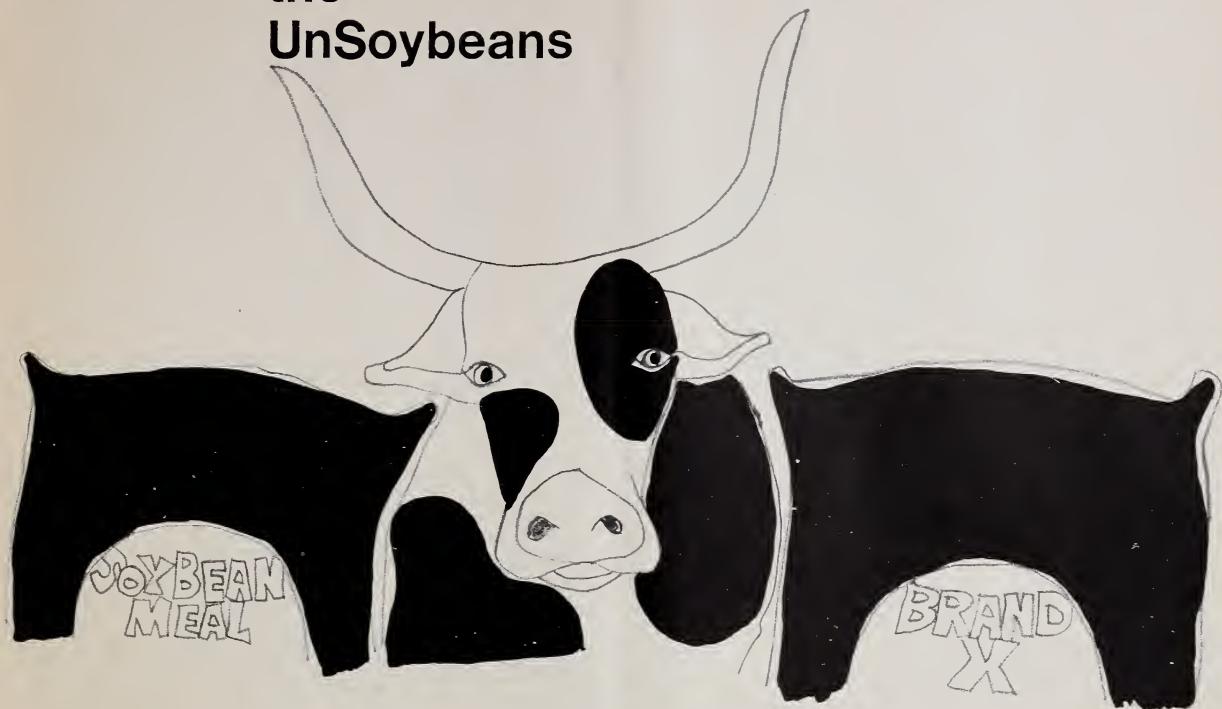
*Higher butter, egg, and broiler prices.* First 6 months' dairy product receipts were up about \$75 million over last year at the same time. Though milk volume was down about 1½ percent, farm prices were up about 4½ percent. Egg prices were up, too. The price rise of about one-fifth from last year's first half, led to a gain of about \$175 million. Broiler prices and marketings continued their uptrend.

*Peaches plentiful.* U.S. peach production in 1969 is estimated at 1.9 million tons as of July 1. This would be 6 percent more than 1968 output and the biggest harvest since the mid-1940's. Fresh peach supplies from the South may be a little under a year ago, but California's clingstone crop—forecast in July at a record 889,000 tons—portends a big canned pack.

*More pears and cherries, too.* The pear crop, as of July 1, was expected to be 14 percent larger than last year's crop and a sizable fifth over the 1963-67 average. On the same date, the Nation's sweet cherry harvest looked as though it might be up a fourth from last year, and a rise of 18 percent was in prospect for tart cherries. This would be 83 percent above the small 1967 crop.

*Cotton farmers planting more.* Cotton plantings estimated at nearly 12 million acres this year are up 10 percent over last year. The jump is attributed to the dropping of several provisions of the previous cotton program. Growers last year diverted about 3.3 million acres and planted a little over 10.9 million acres. In 1967, when growers diverted about 4.8 million acres, plantings dropped to less than 9.5 million acres—the smallest in about a century.

# the UnSoybeans



*Some cattle balk at too much urea and the high lysine corn "complete hog feed" is not yet widely marketed. But if use as livestock feed rises, what about soybeans?*

Farmers have for years benefited from the chameleon-like ability of soybeans to be adapted and substituted for a multitude of products.

Now they are feeling the effects of product substitution from the other side.

In the past decade, urea—a synthetic protein byproduct of the petroleum industry—has been used in increasing quantities as a substitute for soybean meal in livestock feed.

And now another commodity—high protein high lysine corn, a relatively recent result of genetic research—shows promise, too, of substituting for soybeans in hog and poultry feeds. The impact of urea on the demand for soybean

products already is apparent.

And while it is still too soon to judge the potential for high lysine corn, at least four hybrid seed companies distributed limited amounts of high lysine corn seed to farmers for planting this past spring.

How far can urea and high lysine corn be expected to go in substituting for soybeans and other conventional proteins?

The answer to this question will be a factor in gauging prospects for future soybean production and prices—and also the prospects for feed grain and cotton production, since farmers will substitute these crops for soybeans as the prices of each vary.

*Urea.* Some 327 million pounds of urea went into the rations of cattle on feed in 1966. This was equal to about 858,000 tons of soybean meal feed.

But even more urea—480 million pounds—went into commer-

cial formula dairy feeds, taking the place of more than 1.25 million tons of soybean meal.

Using the average soybean yield for that year, urea fed to cattle apparently equaled the output of 3.7 million acres of soybean—10.6 percent of the total harvested soybean acreage.

Urea, however, is solely a protein substitute and does not contain other vital nutrients found in soybean meal. In order to be used in cattle feed it should be fed in conjunction with a high energy feed such as corn or molasses.

Cattle feeders can use urea by adding corn to their livestock diets at the rate of about 6 pounds of corn for every pound of urea.

Thus, as urea takes the place of soybeans so the need for corn increases.

Assuming that corn, and only corn, had been used along with the 807 million pounds of urea fed to cattle in 1966—the net

effect to crop farmers would have been an increase of 1.2 million acres of corn.

With corn at \$1.12 a bushel and urea at \$65 a ton, 1 pound of urea plus 6 pounds of corn comes to about 15 cents. The equivalent—7 pounds of soybean meal at \$80 a ton—would cost 28 cents. Thus, the initial savings to a cattle feeder using corn and urea comes to 13 cents per 7 pounds of feed.

A number of things limit present urea use, however. Normally it can only be fed to cattle, sheep, goats, and other ruminants (cud-chewing animals). These make up about one-third of all protein-consuming animal units.

Poultry and hogs, the biggest consumers of protein, cannot use urea because their stomachs can't cope with it.

In addition, too much urea may be toxic even for those animals who can handle it. Scientists recommend that urea replace no

more than one-third the protein in an animal's diet. And even at this low level, some researchers have found that milk production suffers because some high-producing cows won't accept all the urea that's offered them.

However, if urea did replace soybean meal to the maximum extent of one-third of the protein in the diets of all cattle on feed and of dairy cows, use of the synthetic protein could increase at least 75 percent.

And that would probably mean eliminating 2.7 million acres of soybeans and require an added 875,000 acres of corn.

Another consideration is the potential influence of urea on the U.S. soybean export market. Soybeans now going to Japan and Western Europe are used to a large extent as meal in protein feed. But Japan's livestock sector is still relatively small in size. And in Western Europe, there are more non-ruminant animals than cud-chewers.

Moreover, basic European cattle rations contain much larger quantities of forage crops than U.S. rations. This limits use of urea, which must be complemented by feeds with a higher concentrated carbohydrate content than the forage crops so widely used in Western Europe. And the high prices of high-carbohydrate feeds, relative to soybean meal, make substitution of urea for soybeans uneconomic.

It therefore appears that urea is likely to have much less impact abroad than it seems to be having domestically. (West Germany's petrochemical industry is, however, turning out urea as a by-product.)

*High lysine corn.* Though poultry and hogs both are considered prime prospects for high lysine corn, its greatest use may be in hog rations.

Researchers expect it to be a "complete hog feed" that will replace the entire conventional corn

and soybean meal diet now fed to hogs.

If high lysine corn yields equaled recent average corn yields of 2.2 tons per acre, and soybean yields averaged 0.6 tons per acre, and all hogs were fed high lysine corn only—as many as 5.0 million acres of soybeans could be eliminated. And hog farmers would save a projected 8.8 percent on feed.

However, unless yield per acre of high lysine corn can be brought up to something near regular corn yields, corn and soybean meal will remain the most profitable hog rations. (1)

## Big Beef Demand, Smaller Dairy Herds, Add to Calves on Feedlots

The calf crop is increasing and feedlots are getting a larger share of them.

One reason: Greater demand for beef.

Another: Smaller dairy herds.

Last year the calf crop rose to more than 44 million head. It was 39 million in 1960 and 35 million in 1950.

And more than two-thirds of the '68 crop were beef calves. This reflects an upsurge in growth that has seen the beef calf crop more than double over the past 2 decades, with all areas of the country sharing the increase.

Last year, the South Central States accounted for more than 11 million beef calves—about 36 percent of all beef calves. In 1950 these States produced only 34 percent.

With 29 percent of the total last year, the West North Central States' share was only slightly larger than in 1950. But the Mountain States accounted for only 16 percent of the beef calf crop last year, compared with 21 percent in 1950.

Countering the upsurge in beef calves, however, is the fact that the Nation's dairy herd size has

### Corn-fusion

Cross a conventional combine with a mechanical cornpicker and what do you get? A combine with a corn head.

This innovation, first introduced in California in 1954, now appears to be replacing the once dominant mechanical picker as the principal type of corn harvesting equipment in the United States.

Farmers in Iowa, Illinois, Indiana, and Minnesota—States producing 60 percent of the Nation's corn—used combines with specially fitted heads to harvest nearly half of their crop in 1968. In 1965 they harvested slightly more than one-third of their crop with corn head combines.

Nationwide, the mechanical picker was used to harvest around 44 percent of the 1968 corn crop. In 1965, it handled over half the crop.

The corn head combine has become popular largely because it can be used not only to shell corn in the field but with alternative heads it may also harvest other grain crops and soybeans. (2)

shrunk and the number of dairy calves has fallen off correspondingly.

Because of the decline in dairy calves and the increasing number of calves placed on feed, calf slaughter has dropped off, too.

In 1950, calf slaughter was equal to about 29 percent of the calf crop. Last year only about 12 percent went to slaughter.

Livestock producers in the South Atlantic States sent about the same number of calves to slaughter in 1968 as in the early 1950's. All other regions showed declines from 1950 to 1968.

In general, the tendency since 1950 has been toward heavier calf slaughter weights. And this tendency is more pronounced in the South and other baby beef production areas.

Because most calves in the Northeastern part of the United States are veal calves marketed out of dairy herds, their live weights are the lightest.

In 1968 they weighed well below the national average of 229 pounds each.

By contrast, calf live weights in the South Central and Mountain Regions averaged over 400 pounds each last year. More of these are beef calves and reflect the different production practices of dairymen and ranchers. (3)

## Flax Is Crop of Last Resort On Many Farms in the Great Plains

When bad weather or other adverse conditions cut major crop prospects...

When it's too late to sow other crops successfully...

Farmers often turn to flax. And in North Dakota, South Dakota, and Minnesota—the tri-State area that grows 90 percent of the Nation's flaxseed crop—many farmers may have decided to plant flaxseed anyway.

But for most farmers, flax has become a crop of last resort, and



## Men and Milestones

### HE REAPED A FARM REVOLUTION

*It is harvesttime. Worst time of the year for grain farmers in 1831. Cutting grain by hand is slow, backbreaking work. And the specter of crop-destroying rain hangs over every acre of grain unharvested by end of day. Then young inventor Cyrus Hall McCormick, 26, unveils his new horsedrawn reaper. In one afternoon his new contraption completes the work of several men. And the mechanical revolution in agriculture is underway.*

\* \* \*

Cyrus McCormick's inventive mind was stimulated by his experiences as a youth growing up in the Shenandoah Valley of Virginia. In 1831 he patented a hillside plow. He had a machine cutting grain that same year. But it wasn't until 1834 that he received a patent on his reaper—which was to go down in history as the most important agricul-

tural advance of the 19th century.

The McCormick reaper enabled farmers to do two to six times more work and add to the acreage they could handle. It facilitated the settlement of new areas of the country, too. And it stimulated the invention of other farm machines.

For years, inventor-manufacturer McCormick improved on his reaper, including such new ideas as a grain binder.

At the same time, he introduced mass production in factories near the wheat regions.

He sold new models of the reaper at stated prices each year, and reduced prices on the previous year's models. He assigned agents to areas and provided them with demonstrator models and spare parts to sell.

By 1851 his reapers were so famous they were exhibited at the London World's Fair. And before McCormick's death in 1884, he had also received awards from exhibitions in Paris, London, Hamburg, Lille, Vienna, and Melbourne. (5)

it's not usually a major crop on farms where it is grown.

Nationwide, the flaxseed crop has dropped from a peak annual average of 42.7 million bushels during 1947-51 to a level of about 28 million bushels in the early 1960's. And more recently, crops have generally been even lower as flaxseed has continued to lose its competitive strength.

In recent years nearly one-third of our flaxseed has moved into export markets—60 percent as flaxseed and 40 percent as linseed oil.

But while export markets have been expanding, flaxseed marketing problems at home have been worsening. And the main reason is the loss of linseed oil markets to other competing oils (mainly soybean and tall oil) and to synthetic resins. This loss has threatened the flaxseed crop's economic survival.

Nevertheless, in the three main producing States, flax still competes with barley, oats, soybeans, and potatoes as a rotation crop and for acres left after the major cash crop of wheat or corn is planted.

Farmers frequently plant flax instead of oats and barley. They less frequently plant it instead of corn and soybeans. And they seldom plant it in place of wheat.

Flax is probably most valuable as a "hazard" late season crop. And apparently when it is used for this purpose, it has no substitute.

It's the only crop that can be expected to produce if planting is delayed until the middle of June.

It tends also to be resistant to both drought and moisture, and to bugs and diseases.

Flax is also strong as a nurse crop. Planted along with grass seedlings, it affords them ideal protection, but on farms with livestock, a feed crop such as oats is preferred.

Flax can also be planted after wild oats have established growth

in a field and been plowed under. When used in this way it serves as a weed control crop.

Because flax is so often planted late as a crop of last resort, there is more fluctuation in the number of flax acres planted and in yields than for most crops.

In North Dakota, for example, the year-to-year change in wheat acres since 1935 was greater than 20 percent in only 1 year out of 10. But flax acreage changes exceeded 20 percent in more than half the years.

These annual ups and downs in acreage are indicative of the role flax plays in farm planning in the three-State region.

(See Consumer Section, pp. 19-20, for articles on linseed oil substitutes.) (4)

### Hedge Edge

Most farmers who own land have a hedge against inflation. They have seen their property values rise more than the general price level.

U.S. farmland values have risen about 175 percent since 1950—for a compound annual rate of increase of 5.4 percent. The general price level rose only 52 percent, or 2.2 percent per year, in the same period. Thus, farmland values showed an average *real* increase of 3.2 percent a year.

In the last 5 years the *real* increase in farmland values averaged 3.7 percent a year, despite a slackening in the 1968 rate of increase.

Though U.S. farmland values went up 6.0 percent last year, the general price level rose 3.8 percent. So farmland values showed a *real* increase of only 2.2 percent. In several western States, however, they actually dropped. In the Corn Belt they were relatively unchanged.

In general, as long as the market value of farmland rises more than the general price level, an investment in farmland is an effective inflationary hedge.

And in some areas, it has proved to be one of the better long term investment possibilities as well. (6)

### Farmers Find Money Available But Lose Interest At High Cost

Successful farmers always want to buy more land, but—judging by the smaller number of farm mortgage loans they took out in 1968—many of them are now thinking twice about it.

Their caution is attributed to keen competition from urban borrowers and high interest rates.

In this financial climate, the number of new farm mortgage loans taken out the first half of 1969 is expected to show a further drop.

At \$1.58 billion in 1968, the volume of new farm mortgage money loaned by 19 life insurance companies, the Federal land banks and the Farmers Home Administration was 8 percent below 1967 and 21 percent below the peak year of 1965.

At the same time, interest rates for Federal land banks and life insurance farm mortgage loans—the two major lenders—climbed to an alltime peak by the year's end.

The life insurance interest rate averaged 7.59 percent during the last 6 months of 1968, while Federal land bank interest averaged almost 7 percent for the same period.

Most of the 1968 drop in loan volume came in the second half of the year. The \$618 million loaned during July-December 1968 was 27 percent below the year-earlier period.

The total amount of money outstanding in loans on December 31 of last year came to \$12.4 billion. This was almost 6 percent more than at the end of 1967 but only 2 percent above the amount outstanding in mid-1968.

Life insurance companies during July-December 1968 made advance commitments on loans totaling \$304 million. This was 37 percent below last half 1967 and nearly equaled the amount for the "tight money" period in 1966. (7)

# No Diploma

*In the*

*country or in the city, a high school dropout  
faces the same prospects--unemployment, a low  
paying job, a lifetime of meager income for today's  
unskilled worker*

# No Future

*Low-income parents put a high priority on a high school education for their children. But the parents' hopes often exceed their offspring's achievement in school.*

It's just a piece of paper. Over the years it will probably get lost or destroyed. But what a high school diploma represents may make a lifetime's difference to its owner.

Low-income parents have learned this the hard way. Frequently poorly educated themselves, they put high priority on a high school education for their sons and daughters.

Unfortunately, these parents' scholastic aspirations for their children often far exceed the realization.

ERS researchers, in coopera-

tion with the South Carolina Agricultural Experiment Station, recently questioned the parents in 1,000 rural households in South Carolina's northeast coastal plain on their educational aspirations for their children.

The parents' responses were then compared with the educational achievements of the oldest children who were still at home and in school, and also with those of grown children who had left home during the 10 years preceding the study.

Practically all of the parents believed their children would need at least a high school education to get along well in the world.

Those in the lowest income groups put less stress on a college education. This response, however, was probably conditioned by

the reality that they lacked the money to send their children to college.

The parents' hopes and the educational performance of children who had already flown the nest were far apart.

Over half the rural youth who had left home to seek their fortunes had not completed high school. Three-fourths of these dropouts came from economically deprived homes. And the consequences of their incomplete educations were already showing up in the occupations of these youths, most of whom are now in their 20's.

More than half of the youths from the poorest households had jobs as laborers. A fourth had achieved blue collar status as craftsmen and operatives. However, practically none were in

white collar or professional occupations.

But the parents thought the children who were still at home and still in school would fare better.

They figured their daughters would get slightly more formal schooling than their sons—an indication that the girls, as a group, were probably doing better in school.

But even for the sons, more than three-fourths of the parents in the poorest households expected at least completion of high school.

This parental attitude appears to hold promise of a better education for the children still in school. But, the parents' hopes may be overly optimistic.

Of all school children 10 to 14 years of age in low-income families, a tenth were 2 or more years behind their age-grade level in school.

In the 14 to 19 age group, the proportion that were behind the normal rate of advance in school was about 20 percent.

When youths fall too far behind in school, they're more likely to drop out than go on to graduate.

In families where one or more of the children (either at home or who had left home) were high school dropouts, the researchers asked why the youngest of these children had quit.

"Needed at home to work" was reported by about a fourth of the families. This was followed, in order of importance, by "got married or pregnant," "refused to attend school," and "wanted to go to work." "Poor grades" was given as the major reason in only about 5 percent of the households, but this may have been a hidden factor.

Twice as many nonwhite households as white had a child that dropped out of school. More than half the children dropped out of school after they reached 16 years of age.

### *Filling the Gap*

The long, lazy days of summer really are exactly that for many of America's youth.

Jobs don't abound for people who want work only in the out-of-school months—except on farms.

According to a recent ERS report, half of the hired farmworkers in 1965 were under 25; roughly a third were younger than 18. (In the total labor force, the under-25 group comprises only a fourth of the whole and the under-18, less than a tenth.)

The majority of these young people were out of the labor force most of the year because they were attending school. In 1965 they averaged about 35 days of paid farmwork.

The younger workers, those 14 to 17, earned an average daily farm wage of \$4.85—about the lowest wage paid to any group of hired farmworkers. The youths in the 18-24 bracket averaged about \$7.55 a day for their work on U.S. farms. (9)

However, when they were asked, "Do you buy books for your children to read?" only about 4 percent of the lowest income parents said they often did so, while more than a fourth indicated they did not buy books at all.

Also, only about 7 percent of the lowest income families said they had made use of the services of the public library in the year preceding the study.

Nearly half of the parents in economically deprived households did not know the names of any of their children's teachers. It seems equally likely that the teachers did not know the parents.

A communications gap between parents and teachers could explain part of the difference between parents' expectations and children's scholastic progress.

And this communications gap is often widened because routine written reports and records are beyond the ken of parents who have little or no formal schooling.

Perpetuation of poverty in the Coastal Plain seems assured if the school dropout rates of 1955-66 continue.

The poor scholastic achievement of youth from economically deprived households points to a need for special programs of preschool training and other types of environmental assistance. New educational approaches may be needed to overcome obstacles preventing many children from completing high school. (8)

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### **Family Backgrounds Are Clue To Youth's Failure To Finish School**

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"He wanted a job."

"She wanted to get married."

"He just refused to go any longer."

So say the parents of high school dropouts in the Ozark Region.

But researchers who delve into the reasons why some youth quit

school believe there may be other, more important factors in the dropouts' decisions. These factors relate to the achievements and aspirations of the family itself.

Though youth won't admit it and parents don't always see it, each generation does reflect the one that precedes it. Witness these findings of ERS and University of Missouri economists:

In Ozark families where the head hadn't finished sixth grade, there was a 50/50 chance some of the offspring weren't going to make it through the 12th grade. In contrast, the odds were less than 1 in 10 that a child would become a dropout in a family headed up by someone with a high school diploma.

Older Ozarkians, raised and educated in days when a high school diploma was not considered essential, often had children who tended to disregard its value.

Three-fifths of the families where the head was over 64 had offspring who dropped out of school. In contrast, the likelihood of youth quitting was only 1 in 6 when the breadwinner was under 50.

Breadwinners who worked at jobs that didn't require much formal education were more apt to have dropout children than jobholders in fields where a diploma was essential.

About one-third of the farm and service worker families had a child who quit school. In contrast, only 6 percent of the professional households had a child who failed to finish.

Income, of course, was critical in determining how far children went in school.

The dropout rate was three times as high in families where earnings were under \$3,000 than in households earning more. But low incomes often reflect the low level of education of the family head, too.

Other factors which had a marked impact on dropout rates were race and the sex of the

family breadwinner.

While the nonwhite population of the Ozarks was small, two-thirds of these families had at least one child who quit school, compared with a third of the white households.

And when the family was headed up by a woman, the odds were twice as great that at least one child wasn't going to make it through to graduation. (10)

### **"I Won't Go," Is What They Say, But "I'm Ashamed," Is Meaning**

At a party, sometimes it's nice to be the oldest young fellow there. But in school, it's usually no fun at all to be the oldest kid in your grade.

Youth who drop out of school rarely confess to this fact. In most cases, according to their parents, they simply refuse to go any longer.

But according to the findings of a recent ERS study in the Mississippi Delta Region, the social stigma attached to nonperformance and consequent dropping back in school may be a factor that determines why youths drop out and at what age they quit.

The youngster who finds himself behind his grade level in school is a prime candidate for dropout status, be he white or nonwhite.

But in the Delta, white youths who are lagging behind tend to quit school at earlier ages than nonwhites. The dismay of their parents at their failing grades and the scorn of their peers makes school almost unbearable.

Nonwhite youths who fall behind apparently don't take it quite so hard. Nor do their parents. Generally, the pressure put on them to perform up to their age group is not as strong as with whites because it's understood that various factors beyond their control may have kept them out of school in earlier years. (11)

### **Spending For Schooling**

"We spend more money per pupil than any other county in the State."

Communities who make such a boast believe they're giving their youth the best education in the State.

However, it may not mean that at all, according to the findings of a recent ERS study.

ERS economists tested the correlation between achievement test scores and 24 different measures of educational spending in 66 rural high schools in North Dakota.

They found that students in schools where per pupil expenditures were high didn't do any better on the tests than students in schools where spending was low.

In other words, per pupil expenditures—the most commonly used proxy for educational quality—isn't a measure of educational excellence.

On the other hand, there was a difference in test scores when per teacher expenditures were studied.

When per teacher expenditures were high, so were their pupils' test scores. When they were low, so were the students' grades.

Both the per teacher and the per pupil numbers were based on the same expenditure. But figuring expenditures in terms of the money spent on a classroom unit rather than on an individual student seemed to make a difference.

Probably this was due to the existence of unusually low student/teacher ratios in small rural high schools.

In these schools, expenditures per pupil may be at or above the State average.

However, the small enrollment makes it difficult to pay a good teacher adequately, and at the same time provide the necessary books, audio-visual materials, and other teaching aids. As a result, many students in rural areas may get inadequate elementary or secondary educations.

This study indicates that if rural residents are trying to assess the quality of their school system, per teacher expenditures may be a better indication of quality than per pupil expenditures. (12)

## Running a Farm Is a Fuller Time Job Than Most Other Occupations

City living is too high pressured, too fast paced. So says many a farm resident.

But put a city slicker on a farm and he might crack under the strain. For one thing, the 40-hour workweek of the average non-farm clerical worker or wage earner rarely applies to farming.

Half of the labor it takes to run America's farms is done by farm operators themselves. They put in an average of 59 hours of farmwork a week if they rely solely on their families to do the rest of the work. With hired help, they cut their workweek down to 55 hours. Either way, their work year is 49 weeks long.

These figures, of course, are averages. They are the result of a recent ERS survey of labor inputs on U.S. farms in 1964. The survey showed that there are some farmers whose workweek approximates the 40-hour week of nonfarm laborers. But generally these men operate farms in the South with gross sales of only \$2,500 to \$4,999.

Operators of farms with sales topping \$10,000 generally put in upwards of 58 hours of labor a week, even if they hire additional help. If they relied solely on family labor, their workweek was 62 hours or longer.

By region, farm operators in the Northeast labored longest of all—70 hours a week—even with the help of hired labor. Operators in the Southeast averaged the shortest workweek—45 hours. The differences are largely due to the choice of farm enterprise, with dairying predominating in the Northeast and crop farming in the Southeast.

Farm wives pitch in with farmwork, too. They are credited with an average of about 25 hours of farmwork a week—or about 7 percent of the total hours of farmwork on all farms in 1964.

But the wives' work year was much shorter than their husbands'. It averaged 14 to 19 weeks, depending on whether hired labor was used.

Other unpaid family members averaged 43 hours of farmwork a week on farms where hired labor was employed. On farms with sales above the \$20,000 sales level, their workweek lengthened, but they never worked as many hours as operators. Altogether, this group performed about 16 percent of the farm labor.

About two-thirds of the commercial farmers surveyed did employ hired labor at some point during the year. Regular hired workers performed about 18 percent of the total hours of farmwork done; seasonal laborers, about 10 percent.

The workweek of regular hired workers averaged about 53 hours, almost as long as for farm operators. But their work year was shorter—about 30 weeks. (13)

## Hired Farm Work Force Doesn't Get Rich on Farm Wage Earnings

Farming is not always lucrative for farm operators. But the financial rewards are usually slimmer for persons who hire themselves out as farmworkers.

The 2.9 million persons who made up the Nation's hired farm work force in 1968 earned about \$10.55 a day in farm wages and salaries. (This excludes the value of perquisites and fringe benefits furnished free by farm employers.) Their farm work year averaged 79 days; their annual farm wage earnings, \$834.

Of course, many of this group were casual workers. They chalked up an average of only 10 days of farmwork in 1968, for which they earned about \$85.

Noncasual workers (who perform more than 25 days of farmwork in a year) earned about \$1,434 in 1968 for an average of 135 days of farm work.

Many noncasual workers have jobs other than farm wage work during the year. Among the non-casuals:

—1.0 million were seasonal workers who put in an average of 64 days of farmwork and received \$603 in farm wages.

—0.3 million were regular workers whose farm work year averaged 200 days and whose earnings came to \$2,044.

—0.3 million were year-round workers, averaging 312 days of farmwork and \$3,616.

In recent years, the size of the hired farm work force has been shrinking.

Using averages for 1963-65 and 1966-68, the number of year-round workers with more than 250 days of hired farm labor in a year has shrunk by only 2 percent. But the ranks of those working between 75 and 249 days have been thinned by 19 percent. And workers doing less than 75 days of farmwork numbered 13 percent fewer. (15)

### What's Your Line?

What kind of job would you like to have:

—One that pays extremely well if you succeed at it, but where you lose almost everything if you fail?

—One where the income is good but the chances of losing it are 50/50?

—One where the income is only moderate but you're sure of keeping it?

People on the edge of poverty aren't often gamblers.

When these questions were posed to the breadwinners of 1,000 rural families in South Carolina, those with the lowest incomes almost invariably picked the job that offered security over the other two.

In contrast, heads of more affluent families—typically better educated and more highly skilled—were more prone to choose income over security. Apparently they felt it wouldn't be too hard for them to get another job if their gamble didn't pay off. (14)



*The pricing system that guides the marketing of eggs hasn't kept pace with the methods of marketing them. Researchers brooding over this have a few suggestions.*

While eggs themselves are fragile, the pricing system surrounding them is not.

It's a system that was developed a long time ago and hasn't changed much in the years between. Its central feature is the use of base price quotations for selected grades and sizes of eggs set daily at terminal markets such as New York, Chicago, Boston, and Los Angeles.

Premiums and discounts, which are changed infrequently,

are applied to the base price quotations to translate them into values at other points and for other grades and sizes of eggs.

New York prices dominate markets in the Middle Atlantic, Midwestern, and Southern Regions. The other city-based prices have similar regional influence.

In the early days of egg marketing—when terminal market wholesalers handled more of the eggs traded—base price quotations worked satisfactorily.

But this is no longer true. In the past 20 years, egg marketing has changed considerably.

The Midwest used to be the main source of surplus eggs to supply areas of the country that didn't have enough. Now the Pa-

cific Coast, South Atlantic, and South Central Regions have stepped up production and emerged as surplus producing areas as well. Hence, many eggs are moving to new markets from different starting points than they did before.

At the same time, candling and cartoning operations have moved toward the country plants—away from terminal markets and exchange trading.

In the past, country plants sorted and graded eggs into wholesale packs for more refined grading in the city. But today's well bred chickens lay eggs of better overall quality than those of earlier generations. Therefore, it's now possible—and cheaper—

to candle, carton, and market them directly from the country plants.

So most of the eggs marketed bypass terminal exchanges completely and move direct to retail warehouses and stores.

Modern egg packers are usually larger, and often coordinate production and marketing either by contract or ownership.

With these production and marketing developments, old benchmarks used for egg pricing are not as helpful as they used to be.

Many of today's big egg firms are able to handle large accounts without wholesale intermediaries. They are more often dealing directly with retailers and other users. And these newer types of organizations could operate effectively with different pricing methods that more nearly parallel those used in similarly organized industries.

It might be possible to adapt the present egg pricing system to today's situation. But exchange trading is becoming less relevant to commercial channels, so it's doubtful if changes there would be a permanent solution to pricing problems.

What is really needed is a pricing system that will facilitate trading and the orderly movement of eggs from producers to consumers, yield more stable prices, reflect broad supply and demand conditions, and be adaptable to future changes in the industry. Some possibilities:

An "electronic egg exchange," involving computerized buying and selling, could be supported by user charges. Users would agree to abide by prescribed trading rules.

Though such a system would be costly to set up, it might broaden competition, minimize marketing costs, and provide timely information on stocks, supplies, and so forth.

*Base prices determined at the retailer cost level*—rather than

the wholesalers'—could be used as a starting point for a new pricing system.

But some industry people fear that extensive alignment of base values to the price-to-retailer level might give retailers more direct influence on shortrun price levels than might be desirable.

*Committee pricing* might be feasible if done under specific legislation. Here, a group of designated individuals, supported by a data gathering staff, could suggest prices they consider appropriate for specific locations, grades, sizes, and time periods.

A committee pricing experiment conducted by State and Federal researchers suggests that prices determined this way would be based on broader supply and demand criteria than the present system and be more stable.

*Decentralized pricing* would probably be a desirable change in any case. Under a fully decentralized pricing system, dealings would take place at widely scattered points and regional supply and demand conditions could be reported more adequately.

But the current structure of the egg industry is basically national in scope and prices are interrelated over intermediate and longer time periods.

So, fully decentralized pricing in the foreseeable future doesn't appear to be a possibility.

*Administered pricing*, operated almost entirely by private industry, might be a distinct possibility if the egg industry continues to follow the present trend toward integration or coordination. Under this type of system, buyers and sellers would skirt the open market and make firm arrangements between themselves for quantities, qualities, and prices.

*Futures-oriented pricing* does not appear to be the answer to the pricing problem.

It's true that the futures market is a valuable indicator of anticipated conditions. But it has

too many disadvantages.

For one thing, only large eggs are now traded on the futures market. So, substantial translation problems would exist in deriving prices for other sizes.

*Pricing under orders and agreements* could be incorporated into voluntary arrangements between producers, handlers, and buyers.

Or, a more general approach might relate pricing to orders and agreements implemented under State or Federal legislative authority. Classified pricing programs, similar to those in the milk industry, could be employed. Prices for eggs going into various end uses might be set by formula, or by periodic determination by a committee or administrator. (16)

## Peanut Industry Answers Snack Competition With New Products

Peanut prognosticators predict prolonged popularity for peanut products—but only if the industry keeps up with the competition from other snack foods.

From 1959 to 1968, per capita peanut consumption rose from 6.5 to 7.7 pounds—mostly in the form of peanut butter, salted peanuts, and candy.

The greatest increase in peanut use was in peanut butter—which rose more than 40 percent during the decade. Use per person rose from 3.0 to 3.6 pounds.

The peanut's popularity far surpasses that of tree nuts like almonds, pecans, walnuts, filberts, and cashews.

But retention of the strong demand for peanut products will depend partly on whether the industry can keep up with product development, merchandising, and promotional programs for other snack foods.

Dry roasted peanuts and low-calorie peanuts are part of the peanut industry's more recent efforts to compete. (17)

## Farm Product Processors Reap Higher Incomes in Most Fields

Leading brewers and textile and clothing manufacturers had a good year in 1968—with an average rise of about 20 percent in their net income. Most of the increase was due to growing sales.

Other processors of nonfood agricultural products didn't fare quite as well. Tobacco manufacturers had only a slight increase in net income, while the distillers' dropped somewhat.

Altogether, net income of 149 food manufacturing corporations was only 2.4 percent higher in 1968 than in 1967. And as with the nonfood industries, the rise was due mostly to a strong rise in sales volume rather than an improvement in profit margins.

(By comparison, the net income of 2,250 leading manufacturers—representing all industries—increased 11.4 percent. Again, larger sales volume was responsible.)

The overall rise for food manufacturers was tempered by lower net incomes for the baking, meatpacking, and sugar refining industries.

After-tax profits as a percentage of sales and net worth of food manufacturers were generally lower in 1968 than in 1967.

Increases in unit labor costs and the 10 percent surcharge on corporate income taxes cut into these earnings.

Only those food industries other than dairies, bakeries, meatpackers, and sugar refiners showed an increase in this area. These firms, however, comprised the largest number of firms in the survey and accounted for over half of the sales.

After-tax profits declined sharply in baking and sugar refining. Meatpackers earned the same profit on sales in 1968 as in 1967, but their return on net worth declined.

The net income of 58 leading

food chains increased 10 percent in 1968 over 1967 though net profit as a percentage of sales was unchanged. It averaged 1.1 percent in both years.

(This profits picture was obtained from the First National City Bank of New York.) (18)

## Tarheel Nurseries Burgeoning Ahead of Others in Same Region

North Carolina nurseries are doing a livelier business than their neighbors in other southern States.

The average value of sales of firms interviewed in 1965 was \$58,000—compared with an average of \$39,500 for the whole southern region.

And in the central part of the State, where 40 percent of the nurseries are located, the average value of annual sales per firm was up to \$75,000.

Production of woody ornamentals in North Carolina rose 71 percent from 1960 to 1965, and estimates indicate an additional 75 percent jump by 1970. This is a considerably faster growth rate than for nurseries in any other State of the region.

Most of the nurserymen in North Carolina specialize as wholesalers. The larger firms especially are more likely to deal exclusively in the wholesale market.

Firms throughout the South, on the other hand, tend to specialize in retail sales or a combination of the two.

Broadleaf and narrowleaf evergreens—such as rhododendrons and azaleas—are produced by more than 90 percent of the firms and accounted for 70 percent of the marketings in 1965.

About 70 percent of the nurseries also grow deciduous shrubs and ornamental trees.

As for prices, most nurseries set their prices along the lines of those established by the larger nurseries in the State, or by those

with the best financial records.

About one-fifth of total sales were made to States outside the South. New York and Connecticut were the two major State destinations. And Washington, D.C. took in more shipments than any other city. As for local sales, about 30 percent went to individual consumers—another 35 percent to retailers.

Scarce labor and rising production costs are encouraging mechanization—although it's moving slowly.

As in many other areas, container-grown stock is gaining in popularity. (19)

## Ginning and Wrapping Costs Rise For Cotton Baling in Some States

Ginning and wrapping a 500-pound bale of U.S. upland cotton cost an average of \$18.64 during 1968/69. State averages ranged from \$21.44 per bale in California to \$14.26 in Georgia.

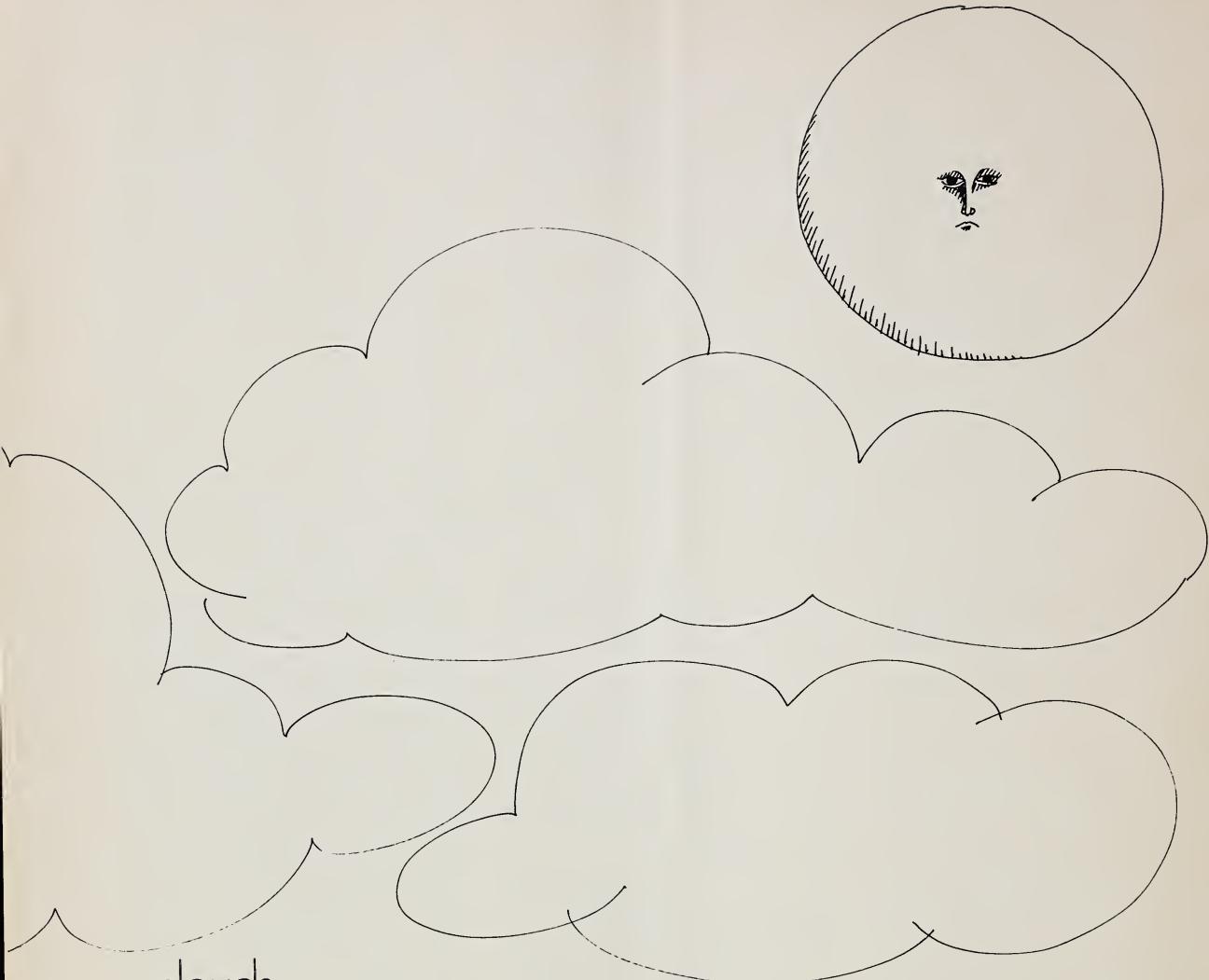
Total per bale charges, compared with a year earlier, were down in five States and up in 10. The biggest increase was in the Carolinas, where the amount of cotton ginned was relatively low.

Nationwide, charges for bagging and ties, when assessed separately, were about \$5.58 per bale—11 cents lower than in the previous season.

The average charge for ginning and wrapping the longer staple American-Egyptian cotton was \$29.23—up \$1.10 from 1967/68.

There were 4,218 active cotton gins handling the 1968 crop, which was over 3.5 million bales larger than the record-low 1967 crop handled by 4,202 gins.

Public warehouses charged an average receiving fee of 90 cents per bale and storage charges of 58 cents per bale per month for cotton not under government loan or acquired by the Commodity Credit Corporation. (20)



clouds  
over  
the  
Caribbean



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*Waves of tourism aren't enough to lift Caribbean agriculture out of the doldrums due to lack of crop diversity, overpopulation, and various natural barriers.*

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Life's horizon is usually bright for the city-weary tourist basking on the coral white beaches of the Caribbean.

But the outlook is bleak for most of the native islanders who

try to make a livelihood on the densely populated Caribbean crescent—a vast patchwork of separate islands, nations, languages, races, and cultures.

Land is the only major natural resource in most of the study area (bauxite deposits in Jamaica and Guyana are the outstanding exceptions.)

Thus, the various Caribbean governments count heavily on agriculture to develop their econo-

mies, bolster their low incomes, reduce high levels of unemployment and underemployment, and achieve a better balance of trade.

Tourism and light manufacturing are just about the only money-making alternatives to agriculture. And the risks and problems associated with these may be even greater than those for agriculture.

Yet the obstacles to agricultural development are formidable. Many of the barriers are natural. Others have been man-made during a 300-year history of emphasis on the cultivation of sugar and other tropical crops by large, foreign-dominated plantations or estates.

It is relatively easy to identify the barriers. It is difficult, however, to verify what's actually being done—or might be done—to surmount them.

But a recent study by an ERS economist, in cooperation with the Agency for International Development (AID), concludes that the many ailments of Caribbean agriculture and the possibilities of alleviating them are related to four basic problems endemic to the area:

*Population growth is rapid (reportedly about 2.7 percent a year for the area as a whole). At this rate, it is unlikely that the area will be able to provide its people with their present inadequate incomes much longer unless effective birth control measures are rapidly adopted.*

Too, most West Indians consider agriculture a demeaning industry. The major goal of many farming parents is to provide their children an escape from the soil. And this attitude pervades at all levels, including government. Trained agriculturists—teachers, economists, and extension workers—are therefore a rarity. And those who are trained are usually lost to countries that pay more.

This is one problem area where

foreign aid might help the Caribbeans to solve their own problems. Established institutions—including the University of the West Indies for the English-speaking, and perhaps the University of Puerto Rico for the Spanish-speaking—offer possibilities.

Useful programs would not only include exchange of students

### Acronyms

CARIFTA (the Caribbean Free Trade Association) was formed May 1, 1968, by Commonwealth Caribbean islands to help increase trade opportunities by freeing tariffs on selected commodities traded with each other and studying other ways to aid regional development.

Members of CARIFTA are Antigua, Barbados, Guyana, Trinidad and Tobago, Dominica, Grenada, St. Kitts-Nevis-Anguilla, St. Lucia, St. Vincent,Montserrat, and Jamaica. Nonmember Commonwealth areas are British Honduras, the Bahamas, and the British Virgin Islands.

For agriculture, the most tangible results to date have been some trading of Guyana rice and a small schooner trade in fruits and vegetables.

CODECA is the Spanish acronym for the Caribbean Economic Development Corporation in Puerto Rico.

This agency maintains a library for Caribbean researchers and also sponsors and finances research to promote Caribbean regionalism. In addition, it represents Puerto Rico in the Joint Economic Commission with the Dominican Republic. (22)

within the islands and abroad, but also grants for student research aimed at specific agricultural projects.

For example, is Trinidad really free of fruit fly, as claimed? Would a road network in British Honduras pay off? What can Caribbean shippers do to meet U.S. standards for entry of certain products or circumvent trade

roadblocks encountered in other foreign countries? Would a deep-water channel or a long pier be the best solution to British Honduras' inadequate port facilities? Would it cost less to import livestock products, or to import feeds for producing livestock, or to grow feed locally?

### *Natural resources are limited.*

With some exceptions, there's enough land to support agriculture. But most of the small islands of the Eastern Caribbean cannot feed themselves unless some land now devoted to export crops (mainly sugar and bananas) is diverted to other food crops and feed and pasture for livestock.

And with present farming methods and permanent climatic conditions—plus pests, diseases, and weeds—it is not economic to grow certain types of crops and livestock.

Some areas also have serious erosion problems or poor soil. Parts of Haiti are reportedly so eroded they are beyond the technical possibility of reclamation. But in the savannahs of Guyana, soil deficiencies could probably be remedied and make the land suited to a number of crops.

Water shortage is the main problem for some areas. For example, lack of rain (coupled with rising wage rates and input prices) has just about eliminated sugar production in St. Lucia, St. Vincent, Antigua, and the U.S. Virgin Islands and has cut down output in Puerto Rico.

Too much water can be a problem, too—especially for citrus in Jamaica, Trinidad, and British Honduras.

High priority should therefore be given to selecting or developing crops and animal breeds better adapted to Caribbean conditions.

Soil surveys and soil maps have been made for most of the area, but little has been done to correlate soil characteristics and their

suitability for different crops. Nor has much been done to evaluate the response that can be expected of fertilizers applied to crops grown on different soil types.

Basic breeding research is also badly needed. Efforts to date have brought little benefit—with one or two possible exceptions, such as beef breeding in Jamaica.

*The small physical size—and relatively small, if crowded, number of inhabitants—of many individual Caribbean nations and territories limits their markets. It forces their economies to rely on outside markets and also restricts the amount of capital available for research and investment.*

To overcome problems caused by smallness, attempts are being made to integrate their economies in various ways.

Complete integration of these islands or of any of their resource sectors probably is not only impossible but not entirely desirable. Some degree of independence is a form of insurance against the uncertainties of politics, weather, navigation, and faulty communications.

Yet ways must be found to overcome the barriers to agricultural development and trade caused by small physical size.

The best place to start seems to be specialization in certain enterprises to take advantage of possible economies of scale and create opportunities for trade at least within the area.

This would, of course, entail feasibility and cost studies that would encompass badly needed market news and extension services, communication, transportation, and marketing facilities, and the cost and effectiveness of incentives and subsidies—including a pricing system to encourage different levels of production.

A study of food processing possibilities appears to warrant priority. There are few food processing operations in the Carib-

bean at present. And some industries seem to offer promise for success. They include fruit and vegetable canning and freezing, processing of pork and oilseeds, and feed mixing operations.

Current processing facilities (mainly for sugar) are operated mostly by foreign investors producing for the export market. These enterprises are often given such generous concessions and have such limited linkage to the rest of the economy that their contribution to the income of the country is limited—though they create some jobs for unskilled labor.

*Lack of complementarity in agricultural products affects the balance of trade adversely.*

Unlike the United States, where grains from the Corn Belt complement fruits from the Northwest, the Caribbeans produce nearly the same food crops and livestock during the same seasons—with a few minor exceptions.

There's little demand, therefore, for each other's products, so they all try to export the same items. Most important of these are sugar, bananas, citrus, cocoa beans, coffee, tobacco, sisal, and spices.

The region as a whole must import most of its food grains and feed grains and much of its meat, dairy products, food fats and oils, non-tropical vegetables, and deciduous fruits.

Much of the food production for domestic markets is subsidized. And most agricultural exports also benefit from some form of subsidy or preference.

Because of this, the Caribbean trade outlook would become even bleaker than it now is—especially for countries belonging to the British Commonwealth—if the United Kingdom joined the European Economic Community and Commonwealth preferences were not retained as a condition of Britain's entry. (21)

## Australian Farmers Look North To the Orient for New Markets

The Asian countries—and Japan in particular—are taking an increasingly large portion of Australia's agricultural exports.

During the past 10 years Europe's share of Australia's total agricultural exports declined from 60 percent to 33 percent. The Asian countries' share rose from 26 to almost 40 percent.

More than one-half of Australia's exported farm products went to the United Kingdom in 1937/38, while Japan's share was about 4 percent.

But by 1966/67, Japan imported 19.4 percent of Australia's agricultural wares, surpassing the United Kingdom for the first time as Australia's major export market. The United Kingdom imported only 13.4 percent. The shift to Japanese markets continued in 1967/68, as 21 percent went to Japan.

Increasingly large quantities of wool, Australia's most important agricultural export, are being sent to Japan, India, China, South Korea, and Taiwan. Japan's share rose from 17 percent in 1955/56 to 33 percent 10 years later; during the same period the United Kingdom's share fell from 26 to 11 percent. (Most of Australia's declining wool exports to the United States are apparel wool.)

Mainland China has recently been importing about 40 percent of Australia's major grain export—wheat. The next important buyers are the United Kingdom, Japan, and India.

Various factors are involved in the shift in Australia's trade directions.

Wheat and meat consumption is rising in such countries as Japan, Taiwan, and the Philippines, where living standards are rising.

And in countries like India and Pakistan, U.S. sales of wheat

under Public Law 480 programs have hastened acceptance of wheat as food, particularly since rice is more expensive.

Western European imports of wheat and meat from Australia have tended to decline in recent years, curtailed by agricultural policies of the European Economic Community and the closing of the Suez Canal.

And if Britain—Australia's major market for fruit and dairy products—should join the EEC, the flow of agricultural goods to Western Europe would probably be diminished further.

Australia is actively promoting trade with Southeast Asia. Its exporters are trying to improve long term credit facilities necessary for trade with the developing countries, and many Australian firms are establishing locally owned and joint-venture businesses in these countries.

Expansion of the market for dairy products is one example.

A market survey of Southeast Asia by the Australian Dairy Produce Board showed a large potential demand for sweetened condensed milk. And the possible loss of Britain as a market for dairy products provides added impetus for development of milk markets in Asia.

New milk processing plants already built at Singapore and Bangkok were financed partly by the Australian dairy industry and partly by local interests. And gradually the Australian personnel who set up the plants in Asia are being replaced by local people trained in Australia. Long term agreements assure continued use of Australian raw materials in the Asian plants at prevailing world prices.

The Australian government is also helping the Asian countries through various economic aid programs and through the Asian Development Bank. Thus, further expansion of Asian markets for a variety of Australian products appears likely. (23)

## Japanese Beef Easing Out Whale As Livestock Industry Expands

Red meat and chicken on the table promise to become as much a way of life to the Japanese as the art of haiku. And livestock farming is likely to be the most



rapidly growing segment of future Japanese agriculture.

Per capita income in Japan is rising at the rate of about 8 percent a year. "Richer" families are substituting eggs, milk, and meat for traditional staples of the daily diet such as fish and rice. (Yet in 1965, over half of Japan's daily consumption of animal proteins still came from the sea.)

Increases in Japan's production from 1965 to 1980 are projected as follows: 65 percent for beef; 131 percent for pork; 99 for chicken; 107 for eggs; and 87 for milk.

The Japanese government is encouraging and protecting its fledgling livestock industry. Tight import restrictions have been imposed on beef, pork, and chicken, except for use as breeding stock.

In 1964, only 2.5 percent of the beef, 0.6 percent of the pork, and 2.2 percent of the chicken supply was imported.

The supply of milk and milk products has been inadequate despite government support for the nation's dairy farmers. Also, high beef prices encourage dairy farmers to sell their cows for slaughter. Thus, about one-fifth of the country's supply of milk products has been imported during recent years.

Livestock products increased in value from 10.5 percent of total agricultural output in 1955 to 19.5 percent in 1963.

Pork, chicken, and beef are the most important meats produced domestically. Lamb, mutton, horse, and rabbit accounted for only 2.24 percent of all meat domestically supplied in 1964. While demand for horse and rabbit is now negligible, there's still a sizable market for lamb—met largely by imports from New Zealand.

Whale, which makes up about one-fifth of meat eaten, will probably lose popularity as beef becomes more readily available.

But the beef industry is not without its problems. Since pro-

duction has not been able to keep up with demand, beef prices have risen sharply.

The number of cattle in Japan dropped severely from 1964 until early 1968. This drop was attributed to the high beef price which encouraged farmers to sell female stock for slaughter.

Also, machines are replacing the cattle formerly used as draft animals, and as mechanization takes over, the cattle that were formerly used as power are then slaughtered.

Beef prices have gone so high since 1964 that the Japanese legislature has considered passing a special beef price stabilization act—one that would allow a limited increase in beef imports in order to stabilize prices. This would be comparable to a system used to stabilize pork prices.

To date, Japan's lack of land has dimmed the country's long-run prospects for any extensive growth of a specialized beef breeding industry.

But the introduction of "dual purpose" Holsteins and the subsidizing of herds in nearby nations could offer a solution to the problem.

In 1968, 90 head of beef cattle were brought in from South Korea to be intensively fed and slaughtered. This proved far more profitable than importing carcass beef.

Projections that are made for Japan's future domestic beef production should allow for importing of feeder cattle and feeding them out in Japan.

A plan is now underway to invest \$6.4 million to help develop South Korea's cattle industry. About 47,000 head of cattle will be brought into Japan from South Korea in 1970 to be fed out and slaughtered.

Most of the domestically raised beef in the future will undoubtedly come from dairy herds. The feeding of Holstein steers is now actively encouraged by the Japanese government. (24)

## Farm Exports to 15 Major U.S. Markets Up 18 Percent Since '63

The share of agricultural exports going to 15 countries which are the major markets for U.S. farm products rose 18 percent between calendar years 1963 and 1968—from \$3.8 billion to \$4.4 billion. During the same period total U.S. agricultural exports rose 12 percent.

Our 15 major agricultural customers include Canada, the United Kingdom, Spain, countries of the European Economic Community (counting Belgium and Luxembourg together), Japan, India, Pakistan, South Vietnam, the Republic of Korea, the Philippines, and Taiwan.

During the 6-year span, the portion these 15 countries imported from the United States was relatively stable—ranging from 66 to 73 percent of our total agricultural exports (71 percent in calendar year 1968).

Japan was consistently the major importer of our farm products. India fell to sixth place in 1968, mostly because of its good 1967/68 wheat crop.

Among the 15 major markets, the average combined value of shipments to South Vietnam, Japan, India, the Netherlands, West Germany, Taiwan, the Republic of Korea, and the Philippines in 1966-68 was \$2.8 billion. This was more than 20 percent above the 1963-65 average. Our agricultural exports to Pakistan declined. (25)

## USSR May Alter 40-Year-Old Regulations for Collective Farms

The first changes since 1935 in the USSR's rules governing collective farms are contained in the draft of a new model charter for collective farms now being discussed by the Soviets.

Standards of operation and ad-

ministration are defined more clearly than formerly in the drafted legislation, but modifications can be expected before it becomes law. In any case, the basic structure of the agricultural sector apparently will remain unchanged.

The main sections of the draft charter stress:

—Higher labor productivity and the benefits of education to farmers.

—Increased production and state purchases of farm products through intensification of farming, improved techniques, greater mechanization, and increased use of fertilizers and irrigation facilities.

—Improved living standards, well planned farm settlements, and "free" use of land, in perpetuity, by the collective.

—Regular wage payments for collective farm workers, added incentives for higher output and quality.

—Other material benefits in addition to the basic wage—such as old age and disability pensions, and additional benefits (in cases of pregnancy and childbirth, for example).

—Rights to private property for families of farmers in the collective farm—such as living quarters and a specified number of livestock.

—Free use of one-half hectare of land (about 1-1/4 acres) for private vegetable gardens, orchards, and other similar family enterprises.

However, the draft charter calls for continuation of the collective farm and household plots of individuals as important elements in Soviet agricultural production.

It also makes no fundamental changes in the organization and management of collective farms, nor does it basically change the position of individual collective farmers in the Soviet Union. (26)

*Oil base paints, the centuries-old medium of great artists, are falling out of favor with the biggest school of modern U.S. painters: the Nation's many homeowners.*

When the weather's balmy and the skies are beautiful, they sally forth: the Sunday painters with their canvases and easels.

But there's a hardier breed of amateur painter in the United States: the Sunday, Monday, Tuesday, everyday-of-the-week painters who often work in precarious positions when the lighting is poor and the weather beastly.

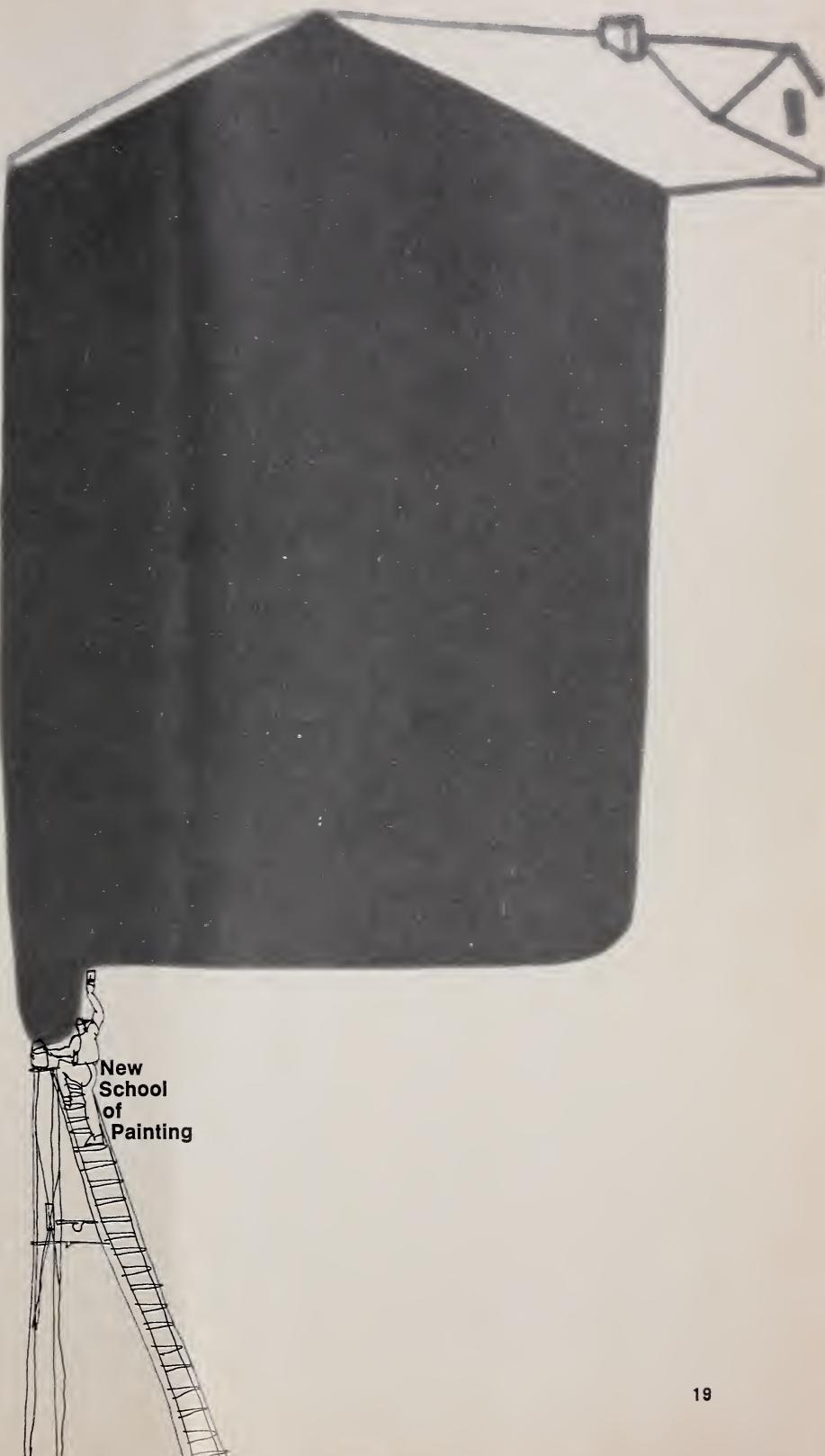
These are the Nation's homeowners—for whom painting is not usually a labor of love but a matter of necessity. And they welcome anything that makes their job a little easier and a little faster. Witness their reaction to water-emulsion latex paints.

Latex paints were born only 25 years ago, along with the synthetic rubber industry of World War II. But they were an almost instant success in the trade sales paint market because they were convenient to apply, easy to clean up, fast drying, and didn't contain volatile solvents.

While the use of protective coatings today is three times what it was in the prewar period of 1935-39, the use of oils in paint manufacture is only a fifth higher. Linseed oil's loss in the market is estimated at 881 million pounds—or the yield of more than 4 million acres of flaxseed.

By the mid-1950's, latex paints could already boast of a third of the 154 million gallons of interior paints sold annually. And in the mid-1960's their share was up to two-thirds of an even bigger 200-million gallon market for interior paints.

Oil-base paints, which only 20 years ago reigned supreme inside U.S. homes, still cling to a small share of use on molding, trimming, and other woodwork. But



### Interior Decor

Every man knows that painting the inside of the house is more trouble in the long run than painting the outside.

The reason: Fresh paint on the exterior doesn't inspire a woman to redecorate as does fresh paint on the interior.

This means that the man of the house may put the paint bucket away, only to find himself moving furniture, laying new floors, putting windows and doing other fix-up chores.

The materials for many such sprucing-up projects used to be products with an agricultural base.

But times have changed, and synthetics have won acceptance in the interior "decorators" world.

Drying oil putties, for example—made with linseed oil and traditionally used to seal windows—are giving way to synthetic rubber and plastic calking compounds.

Though the synthetics cost more, they retain their elasticity for a long time, while the drying oil putties tend to get dry and hard with age and need frequent replacing.

Thus, the more expensive synthetic rubber sealants, while initially more expensive, turn out to be cheaper in the long run.

Floor coverings, too, aren't what they used to be.

Twenty years ago, nearly everyone used linoleum, made from linseed oil, on the kitchen floor and heavy traffic areas of the house.

Now homemakers usually put down vinyl resin sheet or tile flooring, a synthetic with properties they consider superior to those of linoleum.

Use of linseed oil in linoleum is down to only a tenth of the 80- to 100-million-pound annual average that prevailed in the years prior to World War II. Furthermore, more tall oil than linseed oil is now used in the linoleum market.

Oilcloth, too, has been wiped out as a kitchen table covering in U.S. homes.

In its place are petrochemical plastic cloths that not only drape as well and clean as easily, but also cost less than oilcloth. (28)

even this share is threatened by the recent development of semi-gloss and glossy water based coatings.

Outside the home, the harder wearing but harder to use oil base paints still represented about two-thirds of the 130 million gallons of exterior paint sold annually in 1965-66. However, the latex paints are moving out of doors, too, as manufacturers strive to improve durability.

In 1965-66, latex paints claimed about a third of the exterior paint market, compared with only 2 percent in the mid-1950's.

Manufacturers of both types are engaged in stiff competition to gain supremacy outdoors.

Both are looking for the "perfect" paint: one that will go on smoothly and conveniently and promises easy wash and cleanup of equipment, rapid dry "tack free" film, adherence to substrata, durability and tint resistance, stability in the can, and mildew and water resistance.

So far the water base paints still have a way to go in improving durability under exterior conditions, while the oil base paints need to enhance convenience, quick dry, and other features such as water thinnable oil coatings.

Water thinned linseed oil paints that provided easy cleanup with water and rapid dry of paint film were developed in the early 1960's by USDA scientists.

And in 1963 a major paint company began marketing a linseed oil emulsion "vehicle" (the liquid used with a solid) which was claimed to have greater durability, better adhesion to chalky surfaces, more coverage and less reliance on primers than latex coatings.

Most recently a "glossy finish" was built into a linseed oil water emulsion paint by USDA chemists.

Whatever the outcome of the latex-oil paint contest, consumers stand to be the real winners. (27)

### Globetrotting Alters U.S. Menus; What Will Planet-Hopping Bring?

Tuna à la luna. Celestial salad. Marsburgers.

Who knows but what these dishes may someday be standard fare on U.S. dining tables?

Every time Americans go traveling their menus become a bit more varied.

Our first trip to Europe en masse, during World War I, brought "Old World" foods to the U.S. table.

World War II introduced us to a wider variety of Oriental cookery. It also compressed the adaptation of new food technology into a few short years.

Food had to be processed in a manner that could stand the heat and moisture of the South Sea Islands and the blasts of the Arctic cold.

It had to be in a form that could supply ships at sea and men in the front lines.

Packaging also had to be developed that could withstand these rigors.

Many of the processes and products we use today are the results of accelerated developments during this period.

Plastics, plastic laminates, moisture resistant, and moisture-proof paper products—which package many of today's foods—were born during World War II.

And the war precipitated the coming of age of the frozen food industry because of the shortage of tin for cans, the large increases in the production of fruits and vegetables, and the enthusiastic public acceptance of the frozen products.

For a foretaste of future menus, read today's newspapers.

The social, political, technological, and economic forces now at work will play a big part in determining tomorrow's bill of fare—just as past events are ingredients in present diets. (29)

THE AGRICULTURAL ECONOMY AND TRADE OF HUNGARY. T. A. Vankai, Foreign Regional Analysis Division. ERS-For. 269.

After a generation of rigid central controls, Hungary is changing from "command" to "guided" agriculture. This report charts net Hungarian national, industrial, and agricultural production, and shows the historical trend in its agriculture and trade since 1931.

AGRICULTURAL PROSPECTS IN CENTRAL AMERICA. F. S. Urban, Foreign Regional Analysis Division. ERS-For. 270.

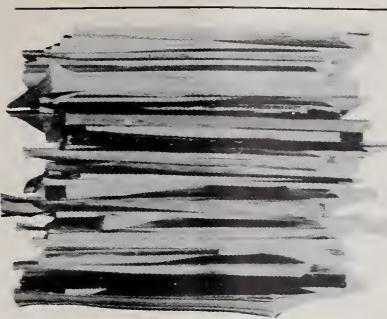
This study was designed to evaluate the long term potential supply and demand for agricultural products throughout the world. Data used as a basis for projections are in greater part from Central American sources.

SELECTED ECONOMIC TRENDS IN THE AGRICULTURAL SECTOR, NORTHERN LAKE STATES: 1949-64. J. M. Stam, Economic Development Division. AER-159.

Significant changes have occurred in the agricultural sector of the Northern Lake States Region in the post-World War II period. This study analyzes selected important economic variables in the Region's agricultural economy to make easier the tasks of people and organizations encouraging economic growth and development in the area.

EUROPEAN FREE TRADE ASSOCIATION: AGRICULTURAL TRADE STATISTICS, 1961-67. Trade Statistics and Analysis Branch, Foreign Development and Trade Division. ERS-For. 271.

The European Free Trade Association (EFTA) was formed in January 1960, by Austria, Denmark, Norway, Portugal, Sweden, Switzerland, and the United Kingdom to eliminate trade restrictions on most industrial products moving between them. The statistics in this sum-



## RECENT PUBLICATIONS

*The publications listed here are issued by the Economic Research Service and cooperatively by the State universities and colleges. Unless otherwise noted, reports listed here and under Sources are published by ERS. Single copies are available free from The Farm Index, OMS, U.S. Department of Agriculture, Washington, D.C. 20250. State publications (descriptions below include name of experiment station or university after title) may be obtained only by writing to the issuing agencies of the respective States.*

mary show agricultural trade patterns that ensued.

FARM MACHINERY COSTS IN GEORGIA. W. C. McArthur, Farm Production Economics Division, in cooperation with F. B. Saunders and others, Georgia Agriculture Experiment Stations. Ga. Agr. Expt. Sta. Res. 45.

This report provides estimates of farm machinery costs for a wide variety of types and sizes of farm machinery and also determines how these costs vary by size of machine, level of annual use, and types of operations.

OUR FOREIGN AGRICULTURAL TRADE. Foreign Development and Trade Division. AIB-812.

This booklet by USDA's Economic Research Service aids understanding of our farm product trade through charts and descriptions of export and import activi-

ties and government programs.

DISTRIBUTION OF RICE IN THE UNITED STATES, 1966-67. J. C. Eiland, Marketing Economics Division. ERS-408.

Despite a slower advance in recent years, total and per capita use of U.S. milled rices has continued upward, boosted by more commercial demand especially for cereals.

PROCESSING, STORAGE, AND SELECTED STORAGE SERVICE COSTS FOR MARYLAND TOBACCO IN COMMERCIAL FACILITIES, 1966/67 AND ESTIMATED 1968. N. A. Wynn, Marketing Economics Division. ERS-413.

The data are based on accounting records of three firms processing and three firms storing Maryland tobacco. These processing firms handled a total of 23.5 million pounds of green weight tobacco in 1966/67. Of this amount 8.8 million pounds were redried with a yield of 94 percent. Redrying cost includes receiving tobacco into the plant, redrying it, packing it into hogsheads, and shipping it out.

NEW BORROWERS IN THE FARMERS HOME ADMINISTRATION OPERATING LOAN PROGRAM, 1965/66: COMPARED WITH NEW BORROWERS OBTAINING LOANS FROM BANKS AND PRODUCTION CREDIT ASSOCIATIONS. W. McD. Herr, Farm Production Economics Division. AER-169.

Findings of this study indicate that small farmers and farmers in weaker financial positions are the usual borrowers under the Farmers Home Administration farm-operating loan program, while similar loans from commercial banks and production credit associations went to larger farmers and those in stronger financial positions.

SELECTED CHARACTERISTICS OF REPRESENTATIVE IRRIGATED AND DRYLAND FARMS AND RANCHES IN

THE BELLE FOURCHE AREA. C. C. Micheel, Farm Production Economics Division, in cooperation with South Dakota Agricultural Experiment Station. S. Dak. Agr. Expt. Sta. Bull. 556.

This is a descriptive report of the farms and ranches on the Belle Fourche Irrigation Project in South Dakota and the surrounding dryland area. Using 1963 data, it also analyzes interrelationships between the dryland and the irrigated areas.

**SUMMARY OF SUPPLY AND DEMAND, IMPORTS AND EXPORTS OF SELECTED AGRICULTURAL PRODUCTS IN THE NETHERLANDS: FORECAST FOR 1970 AND 1975.** Landbouw-Economisch Instituut. ERS-For. 245.

The future of Dutch agriculture is expected to be affected considerably by the country's membership in the European Economic Community (EEC) with its common agricultural policy. This study was done in an effort to learn what changes might occur by 1970 and 1975 in the production and trade of Dutch agricultural products.

**AGRICULTURE IN AUSTRALIA WITH EMPHASIS ON TRADE WITH FAR EAST COUNTRIES.** G. W. Abbott, Foreign Regional Analysis Division. ERS-For. 255.

### *The Poor*

"Paradoxes of American Poverty" and "The Wretched of the Earth" are among 652 titles listed in a recently published bibliography of literature dealing with all aspects of poverty in the United States.

The selected bibliography, compiled by the Economic Research Service (ERS Misc. Pub. No. 1145) spans about 15 years. It includes citations of relevant works in the fields of anthropology, demography, economics, physical and mental health, psychology, sociology, and social psychology.

The scope of the bibliography emphasizes the complexities of the poverty problem and characteristics of the poor. It also cites sources dealing with proposals for alleviating poverty—such as income maintenance, negative income tax, and family allowance plans.

Citations are in alphabetical order under eight major subject categories. There is also an alphabetical author index.

Australia's general agricultural policy in recent years has encouraged intensive development by such means as new systems of irrigation, wider use of laborsaving machinery, and new projects to raise feed grains for Japanese markets. Long term policies also encourage greater Far Eastern trade. (See p. 16, this issue.)

**THE AGRICULTURAL ECONOMY AND TRADE OF FRANCE.** L. Bickley, Foreign Regional Analysis Division. ERS-For. 263.

According to this report, French agricultural production increased rapidly during 1960-67, but further expansion hinges on farm structure changes and European Economic Community support policies for dairy products and soft wheat.

**COMMERCIAL FLORICULTURE AND RELATED PRODUCTS.** R. Hall and S. M. Raleigh, Jr., Marketing Economics Division. MRR-855.

Commercial floriculture today is a \$2-billion-a-year business at the retail level, including goods and services. This report presents data concerning purchases and characteristics of buyers of cut flowers, flowering plants, and related products. Reasons for purchasing and reasons for not purchasing also were obtained.

**MARKETING WOODY ORNAMENTALS: PRACTICES AND TRENDS IN NURSERIES IN LOUISIANA.** 1965. S. M. Raleigh, Jr., and J. V. Powell, Marketing Economics Division. ERS-409.

This report provides a profile of the Louisiana woody ornamental nursery industry. It contains descriptive data designed to give a general picture of the industry.

### *Numbers in parentheses at end of stories refer to sources listed below:*

1. George D. Irwin and George C. Allen, Substitutes for Soybeans: Impact of Urea and High Lysine Corn in Cattle and Hog Rations (M); 2. The Feed Situation, Fds-228 (P); 3. Donald Seaborg, "Regional Trends in Calf Production and Slaughter," Livestock and Meat Situa., LMS-167 (P); 4. Clarence A. Moore, Flaxseed: Past Trends and Future Prospects (M); 5. W. D. Rasmussen (SM); 6. Bruce Johnson (SM); 7. Forest G. Warren and Louise C. Irwin, Farm Mortgage Lending, FML-22 (P); 8. Jackson V. McElveen, Characteristics of Human Resources in the Rural Northeast Coastal Plain: With Emphasis on the Poor, AER-155 (P); 9. Avra Rapton, A Socio-Economic Profile of the 1965 Farm Wage Force, AER-157 (P); 10. Herbert Hoover and Melvin G. Blase (SM); 11. J. C. Crecink and Roosevelt Steptoe, Characteristics of the Human Resources in the Rural Mississippi Delta: With Emphasis on the Poor (M); 12. Thomas F. Stinson and Edward F. Krahmer (SM); 13. Walter E. Sellers, Jr. and Theodore R. Eichers, Farm Labor Inputs, 1964, SB-483 (P); 14. Jackson V. McElveen, Characteristics of Human Resources in the Rural Southeast Coastal Plain: With Emphasis on the Poor, AER-155 (P); 15. Robert C. McElroy, The Hired Farm Working Force of 1968: A Statistical Report (M); 16. George B. Rogers and Leonard A. Voss, Pricing Systems for Eggs, MRR-850 (P); 17. George W.

- Kromer, Peanut Economic Outlook (S); 18. Marketing and Transportation Situation, MTS-173 (P); 19. Stephen M. Raleigh, Jr. and Jules V. Powell, Marketing Woody Ornamentals: Practices and Trends of Nurseries in North Carolina, 1965 (M); 20. Marketing Economics Division, Charges for Ginning Cotton, Costs of Selected Services Incident to Marketing and Related Information, Season 1968-69, ERS-2 (1969) (P); 21. and 22. Robert V. Enochian, Prospects for Agriculture in the Caribbean (M); 23. Geraldine Abbott, Agriculture in Australia, With Emphasis on Trade With Far East Countries, ERS-For. 255 (P); 24. A. Nicholas Filippello, The Japanese Grain-Livestock Economy—An Econometric Projection to 1980 With Emphasis on Grain Imports (M); 25. Foreign Agricultural Trade, Aug. '69 (P); 26. Europe and Soviet Union Branch, Foreign Regional Analysis Division (SM); 27. Clarence A. Moore, Flaxseed: Past Trends and Future Prospects (M); 28. Harry O. Doty, Jr. and John V. Lawler, "Synthetics and Substitutes for Oilsseed Products," Synthetics and Substitutes for Agricultural Products: A Compendium, Misc. Pub. 1141 (P); 29. Rosalind C. Lifquist (SM); 30. William L. Turk (SM).

*Speech (S); published report (P); unpublished manuscript (M); special material (SM); \*State publications may be obtained only by writing to the experiment station or university cited.*

# ECONOMIC TRENDS

ITEM	UNIT OR BASE PERIOD	'57-'59 AVERAGE	1968			1969	
			YEAR	JUNE	APRIL	MAY	JUNE
<b>Prices:</b>							
Prices received by farmers	1910-14=100	242	261	260	271	282	284
Crops	1910-14=100	223	229	231	227	237	231
Livestock and products	1910-14=100	258	288	286	309	321	329
Prices paid, interest, taxes and wage rates	1910-14=100	293	354	355	372	374	375
Family living items	1910-14=100	286	335	335	349	351	351
Production items	1910-14=100	262	292	293	303	306	307
Parity ratio		83	74	73	73	75	76
Wholesale prices, all commodities	1957-59=100	—	108.7	108.7	111.9	112.8	113.2
Industrial commodities	1957-59=100	—	109.0	108.8	112.1	112.2	112.2
Farm products	1957-59=100	—	102.2	102.5	105.6	110.5	111.2
Processed foods and feeds	1957-59=100	—	114.1	114.6	117.3	119.4	121.4
Consumer price index, all items	1957-59=100	—	121.2	120.9	126.4	126.8	—
Food	1957-59=100	—	119.3	119.1	123.2	123.7	—
<b>Farm Food Market Basket:</b> <sup>1</sup>							
Retail cost	Dollars	983	1,118	1,117	1,148	1,157	<sup>b</sup> 1,176
Farm value	Dollars	388	435	435	465	472	<sup>b</sup> 495
Farm-retail spread	Dollars	595	683	682	683	685	<sup>b</sup> 681
Farmers' share of retail cost	Percent	39	39	39	40	41	<sup>b</sup> 42
<b>Farm Income:</b> <sup>2</sup>							
Volume of farm marketings	1957-59=100	—	126	104	94	98	108
Cash receipts from farm marketings	Million dollars	32,247	44,386	3,087	3,116	3,307	3,500
Crops	Million dollars	13,766	18,847	1,123	878	892	1,200
Livestock and products	Million dollars	18,481	25,539	1,964	2,238	2,415	2,300
Realized gross income <sup>3</sup>	Billion dollars	—	<sup>b</sup> 51.1	50.9	—	—	55.1
Farm production expenses <sup>3</sup>	Billion dollars	—	<sup>b</sup> 36.3	36.1	—	—	38.8
Realized net income <sup>3</sup>	Billion dollars	—	<sup>b</sup> 14.8	14.8	—	—	16.3
<b>Agricultural Trade:</b>							
Agricultural exports	Million dollars	4,105	<sup>b</sup> 6,228	461	602	584	—
Agricultural imports	Million dollars	3,977	<sup>b</sup> 5,028	387	488	438	—
<b>Land Values:</b>							
Average value per acre	1957-59=100	—	—	<sup>b</sup> 176	<sup>b</sup> 179	—	—
Total value of farm real estate	Billion dollars	—	—	<sup>b</sup> 199.3	<sup>b</sup> 202.6	—	—
<b>Gross National Product:</b> <sup>3</sup>							
Consumption <sup>3</sup>	Billion dollars	457.3	865.7	858.7	—	—	925.1
Investment <sup>3</sup>	Billion dollars	294.2	536.6	530.3	—	—	570.7
Government expenditures <sup>3</sup>	Billion dollars	68.0	126.3	126.6	—	—	139.9
Net exports <sup>3</sup>	Billion dollars	92.4	200.3	198.4	—	—	212.5
Billion dollars	2.7	2.5	3.4	—	—	—	2.0
<b>Income and Spending:</b> <sup>4</sup>							
Personal income, annual rate	Billion dollars	365.3	687.9	685.9	735.6	740.3	746.2
Total retail sales, monthly rate	Million dollars	17,098	28,309	28,320	29,442	29,164	28,935
Retail sales of food group, monthly rate	Million dollars	4,160	6,106	6,172	6,210	6,237	—
<b>Employment and Wages:</b> <sup>4</sup>							
Total civilian employment	Millions	63.9	75.9	76.0	77.6	77.3	77.7
Agricultural	Millions	5.7	3.8	3.8	3.7	3.8	3.7
Rate of unemployment	Percent	5.8	3.6	3.7	3.5	3.5	3.4
Workweek in manufacturing	Hours	39.8	40.7	40.9	40.8	40.7	40.7
Hourly earnings in manufacturing, unadjusted	Dollars	2.12	3.01	3.00	3.15	3.16	3.17
<b>Industrial Production:</b> <sup>4</sup>							
Total shipments, monthly rate	1957-59=100	—	165	166	172	173	174
<b>Manufacturers' Shipments and Inventories:</b> <sup>4</sup>							
Total shipments, monthly rate	Million dollars	28,745	50,310	50,729	53,298	53,864	—
Total inventories, book value end of month	Million dollars	51,549	88,579	85,582	91,018	91,998	—
Total new orders, monthly rate	Million dollars	28,365	50,597	49,850	54,635	54,144	—

<sup>1</sup> Average annual quantities of farm food products purchased by urban wage-earner and clerical-worker households (including those of single workers living alone) in 1959-61—estimated monthly. <sup>2</sup> Annual and quarterly data are on 50-State basis. <sup>3</sup> Annual rates seasonally adjusted first quarter. <sup>4</sup> Seasonally adjusted. <sup>b</sup> Preliminary. <sup>a</sup> As of November 1, 1968. <sup>c</sup> As of March 1, 1969.

Sources: U.S. Dept. of Agriculture (Farm Income Situation, Marketing and Transportation Situation, Agricultural Prices, Foreign Agricultural Trade and Farm Real Estate Market Developments); U.S. Dept. of Commerce (Current Industrial Reports, Business News Reports, Advance Retail Sales Report and Survey of Current Business); and U.S. Dept. of Labor (The Labor Force and Wholesale Price Index).

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### Public Doctoring

The country doctor in his buggy is a vision of the past. And his modern counterpart behind the wheel of a "horseless carriage" is just as unfamiliar a sight on many country roads.

Yet many rural areas are crying for medical care. And it's the old people and poor people, infants and children, who suffer most when private medical care is unavailable.

In addition to the services which they provide elsewhere, public health services must fill the gap in many rural places where private country doctors have taken down their shingle.

The Economic Research Service recently studied public health services in 37 counties in Oregon and Florida to find out if per capita expenditure was a reliable measure of services.

The estimated 1966 population of the counties was between 20,000 and 100,000, and per capita expenditure for public health services ranged from \$1.41 to \$5.81.

Preliminary findings show that per capita expenditures can be a misleading measure of the quality of rural health services. There was little relationship between per capita expenditures and such indicators of performance as nursing visits for various specific diseases, school examinations, restaurant inspections, and some 16 other variables.

Per capita expenditures also show little relationship to factors such as the proportion of families with incomes under \$3,000, the number of old folks and of children, and various other factors which indicate need. (30)

# THE FARM INDEX

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Numbers in parentheses at end of stories refer to sources listed at end of issue.

The Farm Index is published monthly by the Economic Research Service, U.S. Department of Agriculture, August 1969. Vol. VIII, No. 8

The contents of this magazine are based largely on research of the Economic Research Service and on material developed in cooperation with State agricultural experiment stations. All articles may be reprinted without permission. For information about the contents, write the editor, The Farm Index, Office of Management Services, U.S. Department of Agriculture, Washington, D.C. 20250. Use of funds for printing this publication approved by the Director of the Bureau of the Budget, May 24, 1967. Subscription orders should be sent to the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Price 20 cents (single copy). Subscription price: \$2.00 per year; 75 cents additional for foreign mailing.

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